United Nations

A/CONF.198/1

International Conference on Financing for Development

Monterrey, Mexico
18-22 March 2002

Distr.: General
6 March 2002

Original: English

Provisional agenda

1. Opening of the Conference.
2. Election of the President.
3. Adoption of the rules of procedure.
4. Adoption of the agenda and other organizational matters.
5. Election of officers other than the President.
6. Organization of work, including the establishment of [the Main Committee,] the high-level officials segment, the ministerial segment and the summit segment.
7. Credentials of representatives to the Conference:
   (a) Appointment of members of the Credentials Committee;
   (b) Report of the Credentials Committee.
8. High-level officials segment:
   (a) General exchange of views;
   (b) Consideration of the draft Monterrey Consensus;
   (c) Reports on activities by relevant stakeholders.
9. Ministerial segment:
   (a) General exchange of views;
   (b) Consideration of the draft Monterrey Consensus;
   (c) Reports of business and civil society forums;
   (d) Ministerial round tables.
10. Summit segment:
    (a) General exchange of views;
    (b) Consideration of the draft Monterrey Consensus;
    (c) Summit round tables.
11. Adoption of the Monterrey Consensus.
12. Adoption of the report of the Conference.

02-27475 (E) 080302

Annotations

1. Opening of the Conference

The International Conference on Financing for Development will be convened at the Monterrey Cintermex on Monday, 18 March 2002.

2. Election of the President

Rule 6 of the provisional rules of procedure of the Conference (see A/CONF.198/2) provides that the Conference shall elect a President from among the representatives of participating States. Rule 44 provides that all elections shall be held by secret ballot unless, in the absence of any objection, the Conference decides to proceed without taking a ballot when there is an agreed candidate or slate.

3. Adoption of the rules of procedure

The provisional rules of procedure of the Conference (A/CONF.198/2) were approved by the General Assembly in its decision 56/446.

Documentation

Note by the Secretariat transmitting the provisional rules of procedure of the Conference (A/CONF.198/2)

4. Adoption of the agenda and other organizational matters

The provisional agenda set out above was approved by the Preparatory Committee for the Conference at its fourth session, held in New York from 14 to 25 January and on 15 February 2002.

Documentation

Report of the Preparatory Committee for the Conference on its fourth session (A/CONF.198/5)

5. Election of officers other than the President

Under rule 6 of the provisional rules of procedure, the Conference shall elect, in addition to the President, 23 Vice-Presidents, an ex officio Vice-President from the host country and a Rapporteur-General, as well as a Chairman for the Main Committee if established in accordance with rule 46. Those officials shall be elected on the basis of ensuring the representative character of the General Committee. The Conference may also elect such other officers as it deems necessary for the performance of its functions.

6. Organization of work, including the establishment of [the Main Committee,] the high-level officials segment, the ministerial segment and the summit segment

In its resolutions 55/245 A and 55/245 B, the General Assembly decided to convene the Conference at the highest political level of participation. At its resumed third session, the Preparatory Committee for the Conference approved the format of the Conference, which was subsequently endorsed by the General Assembly in its decision 56/445. In accordance with those decisions, it is proposed that the

Conference organize its work into three segments: a high-level officials segment, a ministerial segment and a summit segment. The Conference will be composed of six plenary meetings and 12 interactive round tables. There will be four plenary meetings at the summit segment, one plenary meeting at the ministerial segment and one plenary meeting at the high-level officials segment. Under rule 48 of the provisional rules of procedure, the Conference may establish such committees and working groups as it deems necessary for the performance of its functions. In accordance with rule 49, the members of the committees and working groups of the Conference referred to in rule 48, paragraph 1, shall be appointed by the President, subject to the approval of the Conference, unless the Conference decides otherwise.

The provisional rules of procedure also provide for the appointment of a Credentials Committee (rule 4) and a General Committee (rules 11, 12 and 13).

A note by the Secretariat on organizational and procedural matters will be before the Conference for its consideration. It will include a proposed timetable for the work of the Conference.

Documentation

Note by the Secretariat on organizational and procedural matters (A/CONF.198/4)

7. Credentials of representatives to the Conference

(a) Appointment of the members of the Credentials Committee

Rule 4 of the provisional rules of procedure provides that a Credentials Committee of nine members shall be appointed at the beginning of the Conference and that its composition shall be based on that of the Credentials Committee of the General Assembly of the United Nations at its fifty-sixth session, which consisted of the following Member States: China, Denmark, Jamaica, Lesotho, the Russian Federation, Senegal, Singapore, the United States of America and Uruguay.

(b) Report of the Credentials Committee

In accordance with rule 4 of the provisional rules of procedure, the Credentials Committee shall examine the credentials of representatives and report to the Conference without delay.

8. High-level officials segment

The high-level officials segment of the Conference will hold a plenary meeting on the morning of 18 March. The Deputy Ministers of Finance, Trade and Foreign Affairs of the host country will jointly assume Co-Presidency of the high-level officials segment, which will elect the General Committee of the Conference.

(a) General exchange of views

The high-level officials segment will hold a general exchange of views to hear statements by the regional commissions and regional development banks.

(b) Consideration of the draft Monterrey Consensus

The high-level officials segment will consider the draft Monterrey Consensus for adoption and transmittal to the ministerial segment for its consideration.

(c) Reports on activities by relevant stakeholders

The high-level officials segment will hear reports from the Co-Chairs of its Preparatory Committee as well as receive reports from relevant preparatory processes.

Documentation

Note by the Secretariat transmitting the draft outcome of the Conference (A/CONF.198/3)

Report of the Preparatory Committee for the Conference on its fourth session (A/CONF.198/5)

9. Ministerial segment

The ministerial segment of the Conference will commence its plenary meeting on the afternoon of Monday, 18 March, and will take up the whole of Tuesday, 19 March and Wednesday, 20 March. The Ministers of Finance, Trade and Foreign Affairs of the host country will assume Co-Presidency of the ministerial segment.

(a) General exchange of views

The plenary meeting on the afternoon of Monday, 18 March, will have an exchange of views, and will hear statements by intergovernmental economic, financial, monetary and trade bodies and by United Nations bodies.

(b) Consideration of the draft Monterrey Consensus

The ministerial segment will consider the draft Monterrey Consensus for adoption and transmittal to the summit segment for its consideration.

(c) Reports of business and civil society forums

The ministerial segment will hear reports from the financing for development business forum and the civil society forum.

(d) Ministerial round tables

On Tuesday and Wednesday, 19 and 20 March, eight multi-stakeholder round tables will be convened. On Tuesday, the theme will be "Partnerships in financing for development" (two simultaneous round tables in the morning and two in the afternoon); on Wednesday, the theme will be "Coherence for development" (two simultaneous round tables in the morning and two in the afternoon).

Documentation

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Letter dated 5 March 2002 from the Chargé d'affaires of the Permanent Mission of Mexico to the United Nations and the Permanent Representative of Norway to the United Nations addressed to the Secretary-General (A/CONF.198/6)

10. Summit segment

The summit segment will commence on the morning of Thursday, 21 March, and will take up the remainder of the Conference until the closing on Friday, 22 March.

(a) General exchange of views

A plenary meeting will be held that will begin with the assumption of the Presidency of the Conference by the Head of State of the host country. The President of the General Assembly, the Secretary-General of the United Nations and the heads of the World Bank, the International Monetary Fund and the World Trade Organization will be invited to make introductory statements. Statements by heads of delegations, in accordance with the customary protocol that ensures that heads of State or Government speak first, followed by Ministers and other heads of delegation, will begin to be heard on Thursday morning and will continue at plenary meetings on Thursday afternoon, Friday morning and Friday afternoon.

(b) Consideration of the draft Monterrey Consensus

The summit segment will consider the draft Monterrey Consensus for final adoption by the Conference.

(c) Summit round tables

On the afternoon of Thursday, 21 March, the summit segment will hold two simultaneous round tables, with representatives of Member States, institutional stakeholders, civil society and the business sector attending each meeting, on the theme "International Conference for Financing for Development: looking ahead". The round tables will run concurrently with the plenary.

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11. Adoption of the Monterrey Consensus

At its fourth session, the Preparatory Committee for the Conference approved the draft outcome of the Conference and recommended its adoption by the Conference. Subsequently, the high-level officials, ministerial and summit segments of the Conference will consider the draft outcome and recommend it for adoption at the plenary on the afternoon of Friday, 22 March.

Documentation

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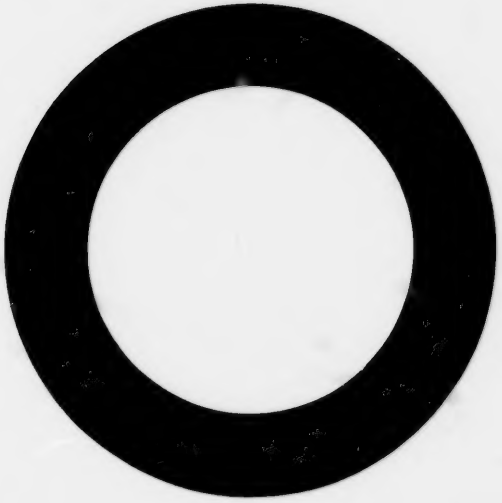
12. Adoption of the report of the Conference

The Conference will adopt a report on its activities, a draft of which will be prepared by the Rapporteur-General and presented to the Conference for its approval.



United Nations A/CONF.198/1/Rev.1

General Assembly

Distr.: General
14 March 2002

Original: English

Provisional agenda

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02-28663 (E) 140302

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Documentation

Note by the Secretariat transmitting the draft outcome of the Conference (A/CONF.198/3)

12. Adoption of the report of the Conference

The Conference will adopt a report on its activities, a draft of which will be prepared by the Rapporteur-General and presented to the Conference for its approval.

United Nations

A/CONF.198/2

International Conference on Financing for Development

Monterrey, N.L., Mexico
18-22 March 2002

Distr. General
27 February 2002

Original: English

Item 3 of the provisional agenda*
Adoption of the rules of procedure

Provisional rules of procedure

Note by the Secretariat

The Secretariat has the honour to transmit to the International Conference on Financing for Development the provisional rules of procedure recommended by the General Assembly in its decision 56/446 for adoption by the Conference.

* A/CONF.198/1.

02-26450 (E) 280202

Provisional rules of procedure for the International Conference on Financing for Development

I. Representation and credentials

Rule 1
Composition of delegations

The delegation of each State participating in the Conference and that of the European Community shall consist of a head of delegation and such other representatives, alternate representatives and advisers as may be required.

Rule 2
Alternates and advisers

The head of delegation may designate an alternate representative or an adviser to act as a representative.

Rule 3
Submission of credentials

The credentials of representatives and the names of alternate representatives and advisers shall be submitted to the Secretary-General of the United Nations, if possible not less than one week before the date fixed for the opening of the Conference. The credentials shall be issued either by the Head of State or Government or by the Minister for Foreign Affairs or, in the case of the European Community, by the President of the European Commission.

Rule 4
Credentials Committee

A Credentials Committee of nine members shall be appointed at the beginning of the Conference. Its composition shall be based on that of the Credentials Committee of the General Assembly of the United Nations at its fifty-sixth session. It shall examine the credentials of representatives and report to the Conference without delay.

Rule 5
Provisional participation in the Conference

Pending a decision of the Conference upon their credentials, representatives shall be entitled to participate provisionally in the Conference.

II. Officers

Rule 6
Elections

The Conference shall elect from among the representatives of participating States the following officers: a President, 23 Vice-Presidents and an ex officio Vice-President from the host country and a Rapporteur-General, as well as a Chairman for the Main Committee established in accordance with rule 46. These officials shall be elected on the basis of ensuring the representative character of the General Committee. The Conference may also elect such other officers as it deems necessary for the performance of its functions.

Rule 7
General powers of the President

1. In addition to exercising the powers conferred upon him elsewhere by these rules, the President shall preside at the plenary meetings of the Conference, declare the opening and closing of each meeting, direct the discussions, ensure the observance of these rules, accord the right to speak, put questions to the vote and announce decisions. The President shall rule on points of order and, subject to these rules, shall have complete control of the proceedings and over the maintenance of order thereat. The President may propose to the Conference the closure of the list of speakers, a limitation on the time to be allowed to speakers and on the number of times each representative may speak on a question, the adjournment or closure of the debate and the suspension or the adjournment of a meeting.

2. The President, in the exercise of his/her functions, remains under the authority of the Conference.

Rule 8
Acting President

1. If the President is absent from a meeting or any part thereof, he/she shall designate one of the Vice-Presidents to take his/her place.

2. A Vice-President acting as President shall have the same powers and duties as the President.

Rule 9
Replacement of the President

If the President is unable to perform his/her functions, a new President shall be elected.

Rule 10
Voting rights of the President

The President, or a Vice-President acting as President, shall not vote in the Conference, but may appoint another member of his/her delegation to vote in his/her place.

III. General Committee

Rule 11
Composition

The President, the Vice-Presidents, the Rapporteur-General and the Chairman of the Main Committee shall constitute the General Committee. The President, or in his/her absence one of the Vice-Presidents designated by him/her, shall serve as Chairman of the General Committee. The Chairman of the Credentials Committee and other committees established by the Conference in accordance with rule 48 may participate, without the right to vote, in the General Committee.

Rule 12
Substitute members

If the President or a Vice-President of the Conference is to be absent during a meeting of the General Committee, he/she may designate a member of his/her delegation to sit and vote in the Committee. In case of absence, the Chairman of the Main Committee shall designate the Vice-Chairman of that Committee as his/her substitute. When serving on the General Committee, a Vice-Chairman of the Main Committee shall not have the right to vote if he/she is of the same delegation as another member of the General Committee.

Rule 13
Functions

The General Committee shall assist the President in the general conduct of the business of the Conference and, subject to the decisions of the Conference, shall ensure the coordination of its work.

IV. Secretariat of the Conference

Rule 14
Duties of the Secretary-General of the United Nations

1. The Secretary-General of the United Nations or his/her designated representative shall act in that capacity in all meetings of the Conference and its subsidiary organs.

2. The Secretary-General of the United Nations may designate a member of the secretariat to act in his/her place at these meetings.

3. The Secretary-General of the United Nations shall direct the staff required by the Conference.

Rule 15
Duties of the secretariat

The secretariat of the Conference shall, in accordance with these rules:

(a) Interpret speeches made at meetings;

(b) Receive, translate, reproduce and circulate the documents of the Conference;

(c) Publish and circulate the official documents of the Conference;

(d) Prepare and circulate records of public meetings;

(e) Make and arrange for the keeping of sound recordings;

(f) Arrange for the custody and preservation of the documents of the Conference in the archives of the United Nations;

(g) Generally perform all other work that the Conference may require.

Rule 16
Statements by the secretariat

The Secretary-General of the United Nations, or any member of the secretariat designated for that purpose, may, at any time, make either oral or written statements concerning any question under consideration.

V. Opening of the Conference

Rule 17
Temporary President

The Secretary-General of the United Nations or, in his absence, any member of the secretariat designated by him for that purpose, shall open the first meeting of the Conference and preside until the Conference has elected its President.

Rule 18
Decisions concerning organization

The Conference shall at its first meeting:

(a) Adopt its rules of procedure;

(b) Elect its officers and constitute its subsidiary organs;

(c) Adopt its agenda, the draft of which shall, until such adoption, be the provisional agenda of the Conference;

(d) Decide on the organization of its work.

VI. Conduct of business

Rule 19
Quorum

The President may declare a meeting open and permit the debate to proceed when at least one third of the representatives of the States participating in the Conference are present. The presence of representatives of a majority of the States so participating shall be required for any decision to be taken.

Rule 20
Speeches

1. No representative may address the Conference without having previously obtained the permission of the President. Subject to rules 21, 22 and 25 to 27, the President shall call upon speakers in the order in which they signify their desire to speak. The secretariat shall be in charge of drawing up a list of speakers.

2. Debate shall be confined to the question before the Conference and the President may call a speaker to order if his/her remarks are not relevant to the subject under discussion.

3. The Conference may limit the time allowed to each speaker and the number of times each participant may speak on any question. Permission to speak on a motion to set such limits shall be accorded to only two representatives in favour of and two opposing such limits, after which the motion shall be immediately put to the vote. In any event, with the consent of the Conference, the President shall limit each intervention on procedural matters to five minutes. When the debate is limited and a speaker exceeds the allotted time, the President shall call him/her to order without delay.

Rule 21
Points of order

During the discussion of any matter, a representative may at any time raise a point of order, which shall be immediately decided by the President in accordance with these rules. A representative may appeal against the ruling of the President. The appeal shall be immediately put to the vote, and the President's ruling shall stand unless overruled by a majority of the representatives present and voting. A representative may not, in raising a point of order, speak on the substance of the matter under discussion.

Rule 22
Precedence

The Chairman or Rapporteur of the Main Committee, or the representative of a subcommittee or working group, may be accorded precedence for the purpose of explaining the conclusions arrived at by the body concerned.

Rule 23
Closing of the list of speakers

During the course of a debate, the President may announce the list of speakers and, with the consent of the Conference, declare the list closed.

Rule 24
Right of reply

1. Notwithstanding rule 23, the President shall accord the right of reply to a representative of any State participating in the Conference or of the European Community who requests it. Any other representative may be granted the opportunity to make a reply.

2. The statements made under this rule shall normally be made at the end of the last meeting of the day, or at the conclusion of the consideration of the relevant item if that is sooner.

3. The representatives of a State or of the European Community may make no more than two statements under this rule at a given meeting on any item. The first shall be limited to five minutes and the second to three minutes; representatives shall in any event attempt to be as brief as possible.

Rule 25
Adjournment of debate

A representative of any State participating in the Conference may at any time move the adjournment of the debate on the question under discussion. In addition to the proposer of the motion, permission to speak on the motion shall be accorded to only two representatives in favour and two opposing the adjournment, after which the motion shall, subject to rule 28, be immediately put to the vote.

Rule 26
Closure of debate

A representative of any State participating in the Conference may at any time move the closure of the debate on the question under discussion, whether or not any other representative has signified his/her wish to speak. Permission to speak on the motion shall be accorded to only two representatives opposing the closure, after which the motion shall, subject to rule 28, be immediately put to the vote.

Rule 27
Suspension or adjournment of the meeting

Subject to rule 38, a representative of any State participating in the Conference may at any time move the suspension or the adjournment of the meeting. No discussion on such motions shall be permitted and they shall, subject to rule 28, be immediately put to the vote.

Rule 28
Order of motions

The motions indicated below shall have precedence in the following order over all proposals or other motions before the meeting:

(a) To suspend the meeting;

(b) To adjourn the meeting;

(c) To adjourn the debate on the question under discussion;

(d) To close the debate on the question under discussion.

Rule 29
Submission of proposals and substantive amendments

Proposals and substantive amendments shall normally be submitted in writing to the Secretary-General or his designated representative, who shall circulate copies to all delegations. Unless the Conference decides otherwise, substantive proposals shall be discussed or put to a decision no earlier than 24 hours after copies have been circulated in all languages of the Conference to all delegations. The President may, however, permit the discussion and consideration of amendments, even though these amendments have not been circulated or have been circulated only the same day.

Rule 30
Withdrawal of proposals and motions

A proposal or a motion may be withdrawn by its sponsor at any time before a decision on it has been taken, provided that it has not been amended. A proposal or a motion thus withdrawn may be reintroduced by any representative.

Rule 31
Decisions on competence

Subject to rule 28, any motion calling for a decision on the competence of the Conference to adopt a proposal submitted to it shall be put to the vote before a decision is taken on the proposal in question.

Rule 32
Reconsideration of proposals

When a proposal has been adopted or rejected, it may not be reconsidered unless the Conference, by a two-thirds majority of the representatives present and voting, so decides. Permission to speak on a motion to reconsider shall be accorded to only two speakers opposing reconsideration, after which the motion shall be immediately put to the vote.

VII. Decision-making

Rule 33
General agreement

The Conference shall make its best endeavours to ensure that the work of the Conference is accomplished by general agreement.

Rule 34
Voting rights

Each State participating in the Conference shall have one vote.

Rule 35
Majority required

1. Subject to rule 33, decisions of the Conference shall be taken by a two-thirds majority of the representatives present and voting.

2. Except as otherwise provided in these rules, decisions of the Conference on all matters of procedure shall be taken by a majority of the representatives present and voting.

3. If the question arises whether a matter is one of procedure or of substance, the President of the Conference shall rule on the question. An appeal against this ruling shall be put to the vote immediately, and the President's ruling shall stand unless overruled by a majority of the representatives present and voting.

4. If a vote is equally divided, the proposal or motion shall be regarded as rejected.

Rule 36
Meaning of the phrase "representatives present and voting"

For the purpose of these rules, the phrase "representatives present and voting" means representatives casting an affirmative or negative vote. Representatives who abstain from voting shall be regarded as not voting.

Rule 37
Method of voting

1. Except as provided in rule 44, the Conference shall normally vote by show of hands, except that a representative may request a roll-call, which shall then be taken in the English alphabetical order of the names of the States participating in the Conference, beginning with the delegation whose name is drawn by lot by the President. The name of each State shall be called in all roll-calls, and its representative shall reply "yes", "no" or "abstention".

2. When the Conference votes by mechanical means, a non-recorded vote shall replace a vote by show of hands and a recorded vote shall replace a roll-call. A representative may request a recorded vote, which shall, unless a representative requests otherwise, be taken without calling out the names of the States participating in the Conference.

3. The vote of each State participating in a roll-call or a recorded vote shall be inserted in any record of or report on the meeting.

Rule 38
Conduct during voting

After the President has announced the commencement of voting, no representative shall interrupt the voting, except on a point of order in connection with the process of voting.

Rule 39
Explanation of vote

Representatives may make brief statements consisting solely of explanations of vote, before the voting has commenced or after the voting has been completed. The President may limit the time to be allowed for such explanations. The representative of a State sponsoring a proposal or motion shall not speak in explanation of vote thereon, unless it has been amended.

Rule 40
Division of proposals

A representative may move that parts of a proposal be decided on separately. If a representative objects, the motion for division shall be voted upon. Permission to speak on the motion shall be accorded to only two representatives in favour of and two opposing the division. If the motion is carried, those parts of the proposal that are subsequently approved shall be put to the Conference for decision as a whole. If all operative parts of the proposal have been rejected, the proposal shall be considered to have been rejected as a whole.

Rule 41
Amendments

A proposal is considered an amendment to another proposal if it merely adds to, deletes from or revises part of that proposal. Unless specified otherwise, the word "proposal" in these rules shall be regarded as including amendments.

Rule 42
Order of voting on amendments

When an amendment is moved to a proposal, the amendment shall be voted on first. When two or more amendments are moved to a proposal, the Conference shall vote first on the amendment furthest removed in substance from the original proposal and then on the amendment next furthest removed therefrom and so on until all the amendments have been put to the vote. Where, however, the adoption of one amendment necessarily implies the rejection of another amendment, the latter shall not be put to the vote. If one or more amendments are adopted, the amended proposal shall then be voted upon.

Rule 43
Order of voting on proposals

1. If two or more proposals, other than amendments, relate to the same question, they shall, unless the Conference decides otherwise, be voted on in the order in which they were submitted. The Conference may, after each vote on a proposal, decide whether to vote on the next proposal.

2. Revised proposals shall be voted on in the order in which the original proposals were submitted, unless the revision substantially departs from the original proposal. In that case, the original proposal shall be regarded as withdrawn and the revised proposal shall be treated as a new proposal.

3. A motion requiring that no decision be taken on a proposal shall be put to the vote before a decision is taken on the proposal in question.

Elections
Rule 44

All elections shall be held by secret ballot unless, in the absence of any objection, the Conference decides to proceed without taking a ballot when there is an agreed candidate or slate.

Rule 45

1. When one or more elective places are to be filled at one time under the same conditions, those candidates, in a number not exceeding the number of such places, obtaining in the first ballot a majority of the votes cast and the largest number of votes, shall be elected.

2. If the number of candidates obtaining such majority is less than the number of places to be filled, additional ballots shall be held to fill the remaining places, the voting being restricted to the candidates obtaining the largest number of votes in the previous ballot, in a number not exceeding twice the number of places remaining to be filled.

VIII. Subsidiary bodies

Rule 46
Main Committee

The Conference may establish a Main Committee as required, which may set up subcommittees or working groups.

Rule 47
Representation on the Main Committee

Each State participating in the Conference and the European Community may be represented by one representative on the Main Committee established by the Conference. It may assign to the Committee such alternate representatives and advisers as may be required.

Other committees and working groups
Rule 48

1. In addition to the Main Committee referred to above, the Conference may establish such committees and working groups as it deems necessary for the performance of its functions.

2. Each committee may set up subcommittees and working groups.

Rule 49

1. The members of the committees and working groups of the Conference, referred to in rule 48, paragraph 1, shall be appointed by the President,

subject to the approval of the Conference, unless the Conference decides otherwise.

2. Members of the subcommittees and working groups of committees shall be appointed by the Chairman of the committee in question, subject to the approval of that committee, unless the committee decides otherwise.

Rule 50
Officers

Except as otherwise provided in rule 6, each committee, subcommittee and working group shall elect its own officers.

Rule 51
Quorum

1. The Chairman of the Main Committee may declare a meeting open and permit the debate to proceed when representatives of at least one quarter of the States participating in the Conference are present. The presence of representatives of a majority of the States so participating shall be required for any decision to be taken.

2. A majority of the representatives of the General or Credentials Committee or of any committee, subcommittee or working group shall constitute a quorum, provided that they are representatives of participating States.

Rule 52
Officers, conduct of business and voting

The rules contained in sections II, VI (except rule 19) and VII above shall be applicable, mutatis mutandis, to the proceedings of committees, subcommittees and working groups, except that:

(a) The Chairmen of the General and Credentials Committees and the Chairmen of the committees, subcommittees and working groups may exercise the right to vote, provided that they are representatives of participating States;

(b) Decisions of committees, subcommittees and working groups shall be taken by a majority of the representatives present and voting, except that the reconsideration of a proposal or an amendment shall require the majority established by rule 32.

IX. Languages and records

Rule 53
Languages of the Conference

Arabic, Chinese, English, French, Russian and Spanish shall be the languages of the Conference.

Rule 54
Interpretation

1. Speeches made in a language of the Conference shall be interpreted into the other such languages.

2. A representative may speak in a language other than a language of the Conference if the delegation concerned provides for interpretation into one such language.

Rule 55
Languages of official documents

Official documents of the Conference shall be made available in the languages of the Conference.

Rule 56
Sound recordings of meetings

Sound recordings of meetings of the Conference and of the Main Committee shall be made and kept in accordance with the practice of the United Nations. Unless otherwise decided by the Conference or the Main Committee, no such recordings shall be made of the meetings of any working group thereof.

X. Public and private meetings

General principles
Rule 57

The plenary meetings of the Conference and the meetings of any committee shall be held in public unless the body concerned decides otherwise. All decisions taken by the Plenary of the Conference at a private meeting shall be announced at an early public meeting of the Plenary.

Rule 58

As a general rule, meetings of the General Committee, subcommittees or working groups shall be held in private.

Rule 59
Communiqués on private meetings

At the close of a private meeting, the presiding officer of the organ concerned may issue a communiqué through the Secretary-General or his designated representative.

XI. Other participants and observers

Rule 60
Representatives of entities, intergovernmental organizations and other entities that have received a standing invitation from the General Assembly to participate in the capacity of observer in the sessions and work of all international conferences convened under its auspices

Representatives designated by entities, intergovernmental organizations and other entities that have received a standing invitation from the General Assembly to participate in the sessions and work of all international conferences convened under its auspices have the right to participate as observers, without the right to vote, in the deliberations of the Conference, the Main Committee and, as appropriate, any other committee or working group.

Rule 61
Representatives of the specialized agencies[a]

Representatives designated by the specialized agencies may participate, without the right to vote, in the deliberations of the Conference, the Main Committee and, as appropriate, any other committee or working group on questions within the scope of their activities.

Rule 62
Representatives of other intergovernmental organizations

Save where otherwise specifically provided with respect to the European Community in these rules of procedure, representatives designated by other intergovernmental organizations invited to the Conference may participate as observers, without the right to vote, in the deliberations of the Conference, the Main Committee and, as appropriate, any other committee or working group on questions within the scope of their activities.

Rule 63
Representatives of interested United Nations organs

Representatives designated by interested organs of the United Nations may participate as observers, without the right to vote, in the deliberations of the Conference, the Main Committee and, as appropriate, any other committee or working group on questions within the scope of their activities.

Rule 64
Representatives of non-governmental organizations

Non-governmental organizations accredited to participate in the Conference may designate representatives to sit as observers at public meetings of the Conference and the Main Committee.

Rule 65
Representatives of business sector entities

Business sector entities accredited to participate in the Conference may designate representatives to sit as observers at public meetings of the Conference and the Main Committee.

Rule 66
Associate members of regional commissions

Representatives designated by associate members of regional commissions[b] may participate as observers, without the right to vote, in the deliberations of the Conference, the Main Committee and, as appropriate, any other committee or working group.

[a] For the purpose of these rules, the term "specialized agencies" includes the International Atomic Energy Agency, the World Tourism Organization, the World Trade Organization, the Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization and the Organization for the Prohibition of Chemical Weapons.

[b] American Samoa, Anguilla, Aruba, British Virgin Islands, Commonwealth of the Northern Mariana Islands, Cook Islands, French Polynesia, Guam, Montserrat, Netherlands Antilles, New Caledonia, Niue, Puerto Rico and United States Virgin Islands.

Rule 67
Written statements

Written statements submitted by the designated representatives referred to in rules 60 to 66 shall be distributed by the secretariat to all delegations in the quantities and in the language in which the statements are made available to it at the site of the Conference, provided that a statement submitted on behalf of a non-governmental organization or business sector entity is related to the work of the Conference and is on a subject in which the organization has a special competence.

XII. Suspension and amendment of the rules of procedure

Rule 68
Method of suspension

Any of these rules may be suspended by the Conference provided that 24 hours' notice of the proposal for the suspension has been given, which may be waived if no representative objects. Any such suspension shall be limited to a specific and stated purpose and to a period required to achieve that purpose.

Rule 69
Method of amendment

These rules of procedure may be amended by a decision of the Conference taken by a two-thirds majority of the representatives present and voting, after the General Committee has reported on the proposed amendment.

United Nations

A/CONF.198/3

International Conference on Financing for Development

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Item 11 of the provisional agenda*
Adoption of the Monterrey Consensus

Draft outcome of the International Conference on Financing for Development

Note by the Secretariat

The Secretariat has the honour to transmit to the International Conference on Financing for Development, for consideration and adoption, the draft outcome of the Conference as approved by its Preparatory Committee at its fourth session, on 15 February 2002 (see annex).

* A/CONF.198/1.

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Annex

Draft outcome of the International Conference on Financing for Development

Monterrey Consensus

I. Confronting the challenges of financing for development: a global response

1. We the heads of State and Government, gathered in Monterrey, Mexico, on 21 and 22 March 2002, have resolved to address the challenges of financing for development around the world, particularly in developing countries. Our goal is to eradicate poverty, achieve sustained economic growth and promote sustainable development as we advance to a fully inclusive and equitable global economic system.

2. We note with concern current estimates of dramatic shortfalls in resources required to achieve the internationally agreed development goals, including those contained in the United Nations Millennium Declaration.[1]

3. Mobilizing and increasing the effective use of financial resources and achieving the national and international economic conditions needed to fulfil internationally agreed development goals, including those contained in the Millennium Declaration, to eliminate poverty, improve social conditions and raise living standards, and protect our environment, will be our first step to ensuring that the twenty-first century becomes the century of development for all.

4. Achieving the internationally agreed development goals, including those contained in the Millennium Declaration, demands a new partnership between developed and developing countries. We commit ourselves to sound policies, good governance at all levels and the rule of law. We also commit ourselves to mobilizing domestic resources, attracting international flows, promoting international trade as an engine for development, increasing international financial and technical cooperation for development, sustainable debt financing and external debt relief, and enhancing the coherence and consistency of the international monetary, financial and trading systems.

5. The terrorist attacks on 11 September 2001 exacerbated the global economic slowdown, further reducing growth rates. It has now become all the more urgent to enhance collaboration among all stakeholders to promote sustained economic growth and to address the long-term challenges of financing for development. Our resolve to act together is stronger than ever.

6. Each country has primary responsibility for its own economic and social development, and the role of national policies and development strategies cannot be overemphasized. At the same time, domestic economies are now interwoven with the global economic system and, inter alia, the effective use of trade and investment opportunities can help countries to fight poverty. National development efforts need to be supported by an enabling international economic environment. We encourage

[1] General Assembly resolution 55/2.

and support development frameworks initiated at the regional level, such as the New Partnership for Africa's Development and similar efforts in other regions.

7. Globalization offers opportunities and challenges. The developing countries and countries with economies in transition face special difficulties in responding to those challenges and opportunities. Globalization should be fully inclusive and equitable, and there is a strong need for policies and measures at the national and international levels, formulated and implemented with the full and effective participation of developing countries and countries with economies in transition to help them respond effectively to those challenges and opportunities.

8. In the increasingly globalizing interdependent world economy, a holistic approach to the interconnected national, international and systemic challenges of financing for development — sustainable, gender-sensitive, people-centred development — in all parts of the globe is essential. Such an approach must open up opportunities for all and help to ensure that resources are created and used effectively and that strong, accountable institutions are established at all levels. To that end, collective and coherent action is needed in each interrelated area of our agenda, involving all stakeholders in active partnership.

9. Recognizing that peace and development are mutually reinforcing, we are determined to pursue our shared vision for a better future, through our individual efforts combined with vigorous multilateral action. Upholding the Charter of the United Nations and building upon the values of the Millennium Declaration, we commit ourselves to promoting national and global economic systems based on the principles of justice, equity, democracy, participation, transparency, accountability and inclusion.

II. Leading actions

Mobilizing domestic financial resources for development

10. In our common pursuit of growth, poverty eradication and sustainable development, a critical challenge is to ensure the necessary internal conditions for mobilizing domestic savings, both public and private, sustaining adequate levels of productive investment and increasing human capacity. A crucial task is to enhance the efficacy, coherence and consistency of macroeconomic policies. An enabling domestic environment is vital for mobilizing domestic resources, increasing productivity, reducing capital flight, encouraging the private sector, and attracting and making effective use of international investment and assistance. Efforts to create such an environment should be supported by the international community.

11. Good governance is essential for sustainable development. Sound economic policies, solid democratic institutions responsive to the needs of the people and improved infrastructure are the basis for sustained economic growth, poverty eradication and employment creation. Freedom, peace and security, domestic stability, respect for human rights, including the right to development, and the rule of law, gender equality, market-oriented policies, and an overall commitment to just and democratic societies are also essential and mutually reinforcing.

12. We will pursue appropriate policy and regulatory frameworks at our respective national levels and in a manner consistent with national laws to encourage public

and private initiatives, including at the local level, and foster a dynamic and well functioning business sector, while improving income growth and distribution, raising productivity, empowering women and protecting labour rights and the environment. We recognize that the appropriate role of government in market-oriented economies will vary from country to country.

13. Fighting corruption at all levels is a priority. Corruption is a serious barrier to effective resource mobilization and allocation, and diverts resources away from activities that are vital for poverty eradication and economic and sustainable development.

14. We recognize the need to pursue sound macroeconomic policies aimed at sustaining high rates of economic growth, full employment, poverty eradication, price stability and sustainable fiscal and external balances to ensure that the benefits of growth reach all people, especially the poor. Governments should attach priority to avoiding inflationary distortions and abrupt economic fluctuations that negatively affect income distribution and resource allocation. Along with prudent fiscal and monetary policies, an appropriate exchange rate regime is required.

15. An effective, efficient, transparent and accountable system for mobilizing public resources and managing their use by Governments is essential. We recognize the need to secure fiscal sustainability, along with equitable and efficient tax systems and administration, as well as improvements in public spending that do not crowd out productive private investment. We also recognize the contribution that medium-term fiscal frameworks can make in that respect.

16. Investments in basic economic and social infrastructure, social services and social protection, including education, health, nutrition, shelter and social security programmes, which take special care of children and older persons and are gender sensitive and fully inclusive of the rural sector and all disadvantaged communities, are vital for enabling people, especially people living in poverty, to better adapt to and benefit from changing economic conditions and opportunities. Active labour market policies, including worker training, can help to increase employment and improve working conditions. The coverage and scope of social protection needs to be further strengthened. Economic crises also underscore the importance of effective social safety nets.

17. We recognize the need to strengthen and develop the domestic financial sector, by encouraging the orderly development of capital markets through sound banking systems and other institutional arrangements aimed at addressing development financing needs, including the insurance sector and debt and equity markets, that encourage and channel savings and foster productive investments. That requires a sound system of financial intermediation, transparent regulatory frameworks and effective supervisory mechanisms, supported by a solid central bank. Guarantee schemes and business development services should be developed for easing the access of small and medium-sized enterprises to local financing.

18. Microfinance and credit for micro-, small and medium-sized enterprises, including in rural areas, particularly for women, as well as national savings schemes, are important for enhancing the social and economic impact of the financial sector. Development banks, commercial and other financial institutions, whether independently or in cooperation, can be effective instruments for facilitating access to finance, including equity financing, for such enterprises, as

well as an adequate supply of medium- and long-term credit. In addition, the promotion of private-sector financial innovations and public-private partnerships can also deepen domestic financial markets and further develop the domestic financial sector. The prime objective of pension schemes is social protection, but when those schemes are funded they can also be a source of savings. Bearing in mind economic and social considerations, efforts should be made to incorporate the informal sector into the formal economy, wherever feasible. It is also important to reduce the transfer costs of migrant workers' remittances and create opportunities for development-oriented investments, including housing.

19. It is critical to reinforce national efforts in capacity-building in developing countries and countries with economies in transition in such areas as institutional infrastructure, human resource development, public finance, mortgage finance, financial regulation and supervision, basic education in particular, public administration, social and gender budget policies, early warning and crisis prevention, and debt management. In that regard, particular attention is required to address the special needs of Africa, the least developed countries, small island developing States and landlocked developing countries. We reaffirm our commitment to the Programme of Action for the Least Developed Countries for the Decade 2001-2010,[2] adopted by the Third United Nations Conference on the Least Developed Countries, held in Brussels from 14 to 20 May 2001, and the Global Programme of Action for the Sustainable Development of Small Island Developing States.[3] International support for those efforts, including technical assistance and through United Nations operational activities for development, is indispensable. We encourage South-South cooperation, including through triangular cooperation, to facilitate exchange of views on successful strategies, practices and experience and replication of projects.

Mobilizing international resources for development: foreign direct investment and other private flows

20. Private international capital flows, particularly foreign direct investment, along with international financial stability, are vital complements to national and international development efforts. Foreign direct investment contributes toward financing sustained economic growth over the long term. It is especially important for its potential to transfer knowledge and technology, create jobs, boost overall productivity, enhance competitiveness and entrepreneurship, and ultimately eradicate poverty through economic growth and development. A central challenge, therefore, is to create the necessary domestic and international conditions to facilitate direct investment flows, conducive to achieving national development priorities, to developing countries, particularly Africa, least developed countries, small island developing States, and landlocked developing countries, and also to countries with economies in transition.

21. To attract and enhance inflows of productive capital, countries need to continue their efforts to achieve a transparent, stable and predictable investment climate, with proper contract enforcement and respect for property rights, embedded

[2] A/CONF.191/11.

[3] *Report of the Global Conference on the Sustainable Development of Small Island Developing States, Bridgetown, Barbados, 25 April-6 May 1994* (United Nations publication, Sales No. E.94.I.18 and corrigenda), chap. I, resolution 1, annex II.

in sound macroeconomic policies and institutions that allow businesses, both domestic and international, to operate efficiently and profitably and with maximum development impact. Special efforts are required in such priority areas as economic policy and regulatory frameworks for promoting and protecting investments, including the areas of human resource development, avoidance of double taxation, corporate governance, accounting standards, and the promotion of a competitive environment. Other mechanisms, such as public/private partnerships and investment agreements, can be important. We emphasize the need for strengthened, adequately resourced technical assistance and productive capacity-building programmes, as requested by recipients.

22. To complement national efforts, there is the need for the relevant international and regional institutions as well as appropriate institutions in source countries to increase their support for private foreign investment in infrastructure development and other priority areas, including projects to bridge the digital divide, in developing countries and countries with economies in transition. To this end, it is important to provide export credits, co-financing, venture capital and other lending instruments, risk guarantees, leveraging aid resources, information on investment opportunities, business development services, forums to facilitate business contacts and cooperation between enterprises of developed and developing countries, as well as funding for feasibility studies. Inter-enterprise partnership is a powerful means for transfer and dissemination of technology. In this regard, strengthening of the multilateral and regional financial and development institutions is desirable. Additional source country measures should also be devised to encourage and facilitate investment flows to developing countries.

23. While Governments provide the framework for their operation, businesses, for their part, are expected to engage as reliable and consistent partners in the development process. We urge businesses to take into account not only the economic and financial but also the developmental, social, gender and environmental implications of their undertakings. In that spirit, we invite banks and other financial institutions, in developing countries as well as developed countries, to foster innovative developmental financing approaches. We welcome all efforts to encourage good corporate citizenship and note the initiative undertaken in the United Nations to promote global partnerships.

24. We will support new public/private sector financing mechanisms, both debt and equity, for developing countries and countries with economies in transition, to benefit in particular small entrepreneurs and small and medium-size enterprises and infrastructure. Those public/private initiatives could include the development of consultation mechanisms between international and regional financial organizations and national Governments with the private sector in both source and recipient countries as a means of creating business-enabling environments.

25. We underscore the need to sustain sufficient and stable private financial flows to developing countries and countries with economies in transition. It is important to promote measures in source and destination countries to improve transparency and the information about financial flows. Measures that mitigate the impact of excessive volatility of short-term capital flows are important and must be considered. Given each country's varying degree of national capacity, managing national external debt profiles, paying careful attention to currency and liquidity risk, strengthening prudential regulations and supervision of all financial

institutions, including highly leveraged institutions, liberalizing capital flows in an orderly and well sequenced process consistent with development objectives, and implementation, on a progressive and voluntary basis, of codes and standards agreed internationally, are also important. We encourage public/private initiatives that enhance the ease of access, accuracy, timeliness and coverage of information on countries and financial markets, which strengthen capacities for risk assessment. Multilateral financial institutions could provide further assistance for all those purposes.

International trade as an engine for development

26. A universal, rule-based, open, non-discriminatory and equitable multilateral trading system, as well as meaningful trade liberalization, can substantially stimulate development worldwide, benefiting countries at all stages of development. In that regard, we reaffirm our commitment to trade liberalization and to ensure that trade plays its full part in promoting economic growth, employment and development for all. We thus welcome the decisions of the World Trade Organization to place the needs and interests of developing countries at the heart of its work programme, and commit ourselves to their implementation.

27. To benefit fully from trade, which in many cases is the single most important external source of development financing, the establishment or enhancement of appropriate institutions and policies in developing countries, as well as in countries with economies in transition, is needed. Meaningful trade liberalization is an important element in the sustainable development strategy of a country. Increased trade and foreign direct investment could boost economic growth and could be a significant source of employment.

28. We acknowledge the issues of particular concern to developing countries and countries with economies in transition in international trade to enhance their capacity to finance their development, including trade barriers, trade-distorting subsidies and other trade-distorting measures, particularly in sectors of special export interest to developing countries, including agriculture; the abuse of anti-dumping measures; technical barriers and sanitary and phytosanitary measures; trade liberalization in labour intensive manufactures; trade liberalization in agricultural products; trade in services; tariff peaks, high tariffs and tariff escalation, as well as non-tariff barriers; the movement of natural persons; the lack of recognition of intellectual property rights for the protection of traditional knowledge and folklore; the transfer of knowledge and technology; the implementation and interpretation of the Agreement on Trade-Related Aspects of Intellectual Property Rights[4] in a manner supportive of public health; and the need for special and differential treatment provisions for developing countries in trade agreements to be made more precise, effective and operational.

29. To ensure that world trade supports development to the benefit of all countries, we encourage the members of the World Trade Organization to implement the outcome of its Fourth Ministerial Conference, held in Doha, Qatar from 9 to 14 November 2001.

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[4] *The Results of the Uruguay Round of Multilateral Trade Negotiations: The Legal Texts* (Geneva, GATT secretariat, 1994), annex 1C.

30. We also undertake to facilitate the accession of all developing countries, particularly the least developed countries, as well as countries with economies in transition, that apply for membership of the World Trade Organization.

31. We will implement the commitments made in Doha to address the marginalization of the least developed countries in international trade as well as the work programme adopted to examine issues related to the trade of small economies.

32. We also commit ourselves to enhancing the role of regional and subregional agreements and free trade areas, consistent with the multilateral trading system, in the construction of a better world trading system. We urge international financial institutions, including the regional development banks, to continue to support projects that promote subregional and regional integration among developing countries and countries with economies in transition.

33. We recognize the importance of enhanced and predictable access to all markets for the exports of developing countries, including small island developing States, landlocked developing countries, transit developing countries and countries in Africa, as well as countries with economies in transition.

34. We call on developed countries that have not already done so to work towards the objective of duty-free and quota-free access for all least developed countries' exports, as envisaged in the Programme of Action for the Least Developed Countries adopted in Brussels. Consideration of proposals for developing countries to contribute to improved market access for least developed countries would also be helpful.

35. We further recognize the importance for developing countries as well as countries with economies in transition of considering reducing trade barriers among themselves.

36. In cooperation with the interested Governments and their financial institutions and to further support national efforts to benefit from trade opportunities and effectively integrate into the multilateral trading system, we invite multilateral and bilateral financial and development institutions to expand and coordinate their efforts, with increased resources, for gradually removing supply-side constraints; improve trade infrastructure; diversify export capacity and support an increase in the technological content of exports; strengthen institutional development and enhance overall productivity and competitiveness. To that end, we further invite bilateral donors and the international and regional financial institutions, together with the relevant United Nations agencies, funds and programmes, to reinforce the support for trade-related training, capacity and institution building and trade-supporting services. Special consideration should be given to least developed countries, landlocked developing countries, small island developing States, African development, transit developing countries and countries with economies in transition, including through the Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries and its follow-up, the Joint Integrated Technical Assistance Programme, the World Trade Organization Doha Development Agenda Global Trust Fund, as well as the activities of the International Trade Centre.

37. Multilateral assistance is also needed to mitigate the consequences of depressed export revenues of countries that still depend heavily on commodity exports. Thus, we recognize the recent review of the International Monetary Fund

Compensatory Financing Facility and will continue to assess its effectiveness. It is also important to empower developing country commodity producers to insure themselves against risk, including against natural disasters. We further invite bilateral donors and multilateral aid agencies to strengthen their support to export diversification programmes in those countries.

38. In support of the process launched in Doha, immediate attention should go to strengthening and ensuring the meaningful and full participation of developing countries, especially the least developed countries, in multilateral trade negotiations. In particular, developing countries need assistance in order to participate effectively in the World Trade Organization work programme and negotiating process through the enhanced cooperation of all relevant stakeholders, including the United Nations Conference on Trade and Development, the World Trade Organization and the World Bank. To those ends, we underscore the importance of effective, secure and predictable financing of trade-related technical assistance and capacity-building.

Increasing international financial and technical cooperation for development

39. Official development assistance (ODA) plays an essential role as a complement to other sources of financing for development, especially in those countries with the least capacity to attract private direct investment. ODA can help a country to reach adequate levels of domestic resource mobilization over an appropriate time horizon, while human capital, productive and export capacities are enhanced. ODA can be critical for improving the environment for private sector activity and can thus pave the way for robust growth. ODA is also a crucial instrument for supporting education, health, public infrastructure development, agriculture and rural development, and to enhance food security. For many countries in Africa, least developed countries, small island developing States and landlocked developing countries, ODA is still the largest source of external financing and is critical to the achievement of the development goals and targets of the Millennium Declaration and other internationally agreed development targets.

40. Effective partnerships among donors and recipients are based on the recognition of national leadership and ownership of development plans and, within that framework, sound policies and good governance at all levels are necessary to ensure ODA effectiveness. A major priority is to build those development partnerships, particularly in support of the neediest, and to maximize the poverty reduction impact of ODA. The goals, targets and commitments of the Millennium Declaration and other internationally agreed development targets can help countries to set short- and medium-term national priorities as the foundation for building partnerships for external support. In that context, we underline the importance of the United Nations funds, programmes and specialized agencies, and we will strongly support them.

41. We recognize that a substantial increase in ODA and other resources will be required if developing countries are to achieve the internationally agreed development goals and objectives, including those contained in the Millennium Declaration. To build support for ODA, we will cooperate to further improve policies and development strategies, both nationally and internationally, to enhance aid effectiveness.

42. In that context, we urge developed countries that have not done so to make concrete efforts towards the target of 0.7 per cent of gross national product (GNP) as

ODA to developing countries and 0.15 to 0.20 per cent of GNP of developed countries to least developed countries, as reconfirmed at the Third United Nations Conference on Least Developed Countries, and we encourage developing countries to build on progress achieved in ensuring that ODA is used effectively to help achieve development goals and targets. We acknowledge the efforts of all donors, commend those donors whose ODA contributions exceed, reach or are increasing towards the targets, and underline the importance of undertaking to examine the means and time frames for achieving the targets and goals.

43. Recipient and donor countries, as well as international institutions, should strive to make ODA more effective. In particular, there is a need for the multilateral and bilateral financial and development institutions to intensify efforts to:

- Harmonize their operational procedures at the highest standard so as to reduce transaction costs and make ODA disbursement and delivery more flexible, taking into account national development needs and objectives under the ownership of the recipient country;
- Support and enhance recent efforts and initiatives, such as untying aid, including the implementation of the Organisation for Economic Cooperation and Development/Development Assistance Committee recommendation on untying aid to the least developed countries, as agreed by the Organisation for Economic Cooperation and Development in May 2001. Further efforts should be made to address burdensome restrictions;
- Enhance the absorptive capacity and financial management of the recipient countries to utilize aid in order to promote the use of the most suitable aid delivery instruments that are responsive to the needs of developing countries and to the need for resource predictability, including budget support mechanisms, where appropriate, and in a fully consultative manner;
- Use development frameworks that are owned and driven by developing countries and that embody poverty reduction strategies, including poverty reduction strategy papers, as vehicles for aid delivery, upon request;
- Enhance recipient countries' input into and ownership of the design, including procurement, of technical assistance programmes; and increase the effective use of local technical assistance resources;
- Promote the use of ODA to leverage additional financing for development, such as foreign investment, trade and domestic resources;
- Strengthen triangular cooperation, including countries with economies in transition, and South-South cooperation, as delivery tools for assistance;
- Improve ODA targeting to the poor, coordination of aid and measurement of results.

We invite donors to take steps to apply the above measures in support of all developing countries, including immediately in support of the comprehensive strategy that is embodied in the New Partnership for Africa's Development and similar efforts in other regions, as well as in support of least developed countries, small island developing States and landlocked developing countries. We acknowledge and appreciate the discussions taking place in other forums on

proposals to increase the concessionality of development financing, including greater use of grants.

44. We recognize the value of exploring innovative sources of finance provided that those sources do not unduly burden developing countries. In that regard, we agree to study, in the appropriate forums, the results of the analysis requested from the Secretary-General on possible innovative sources of finance, noting the proposal to use special drawing rights allocations for development purposes. We consider that any assessment of special drawing rights allocations must respect the International Monetary Fund's Articles of Agreement and the established rules of procedure of the Fund, which requires taking into account the global need for liquidity at the international level.

45. Multilateral and regional development banks continue to play a vital role in serving the development needs of developing countries and countries with economies in transition. They should contribute to providing an adequate supply of finance to countries that are challenged by poverty, follow sound economic policies and may lack adequate access to capital markets. They should also mitigate the impact of excessive volatility of financial markets. Strengthened regional development banks and subregional financial institutions add flexible financial support to national and regional development efforts, enhancing ownership and overall efficiency. They also serve as a vital source of knowledge and expertise on economic growth and development for their developing member countries.

46. We will ensure that the long-term resources at the disposal of the international financial system, including regional and subregional institutions and funds, allow them to adequately support sustained economic and social development, technical assistance for capacity-building, and social and environmental protection schemes. We will also continue to enhance their overall lending effectiveness through increased country ownership, operations that raise productivity and yield measurable results in reducing poverty, and closer coordination with donors and the private sector.

External debt

47. Sustainable debt financing is an important element for mobilizing resources for public and private investment. National comprehensive strategies to monitor and manage external liabilities, embedded in the domestic preconditions for debt sustainability, including sound macroeconomic policies and public resource management, are a key element in reducing national vulnerabilities. Debtors and creditors must share the responsibility for preventing and resolving unsustainable debt situations. Technical assistance for external debt management and debt tracking can play an important role and should be strengthened.

48. External debt relief can play a key role in liberating resources that can then be directed towards activities consistent with attaining sustainable growth and development, and therefore, debt relief measures should, where appropriate, be pursued vigorously and expeditiously, including within the Paris and London Clubs and other relevant forums. Noting the importance of re-establishing financial viability for those developing countries facing unsustainable debt burdens, we welcome initiatives that have been undertaken to reduce outstanding indebtedness and invite further national and international measures in that regard, including, as appropriate, debt cancellation and other arrangements.

49. The enhanced Heavily Indebted Poor Countries Initiative provides an opportunity to strengthen the economic prospects and poverty reduction efforts of its beneficiary countries. Speedy, effective and full implementation of the enhanced Initiative, which should be fully financed through additional resources, is critical. Heavily indebted poor countries should take the policy measures necessary to become eligible for the Initiative. Future reviews of debt sustainability should also bear in mind the impact of debt relief on progress towards the achievement of the development goals contained in the Millennium Declaration. We stress the importance of continued flexibility with regard to the eligibility criteria. Continued efforts are needed to reduce the debt burden of heavily indebted poor countries to sustainable levels. The computational procedures and assumptions underlying debt sustainability analysis need to be kept under review. Debt sustainability analysis at the completion point needs to take into account any worsening global growth prospects and declining terms of trade. Debt relief arrangements should seek to avoid imposing any unfair burdens on other developing countries.

50. We stress the need for the International Monetary Fund and the World Bank to consider any fundamental changes in countries' debt sustainability caused by natural catastrophes, severe terms of trade shocks or conflict, when making policy recommendations, including for debt relief, as appropriate.

51. While recognizing that a flexible mix of instruments is needed to respond appropriately to countries' different economic circumstances and capacities, we emphasize the importance of putting in place a set of clear principles for the management and resolution of financial crises that provide for fair burden-sharing between public and private sectors and between debtors, creditors and investors. We encourage donor countries to take steps to ensure that resources provided for debt relief do not detract from ODA resources intended to be available for developing countries. We also encourage exploring innovative mechanisms to comprehensively address debt problems of developing countries, including middle-income countries and countries with economies in transition.

Addressing systemic issues: enhancing the coherence and consistency of the international monetary, financial and trading systems in support of development

52. In order to complement national development efforts, we recognize the urgent need to enhance coherence, governance, and consistency of the international monetary, financial and trading systems. To contribute to that end, we underline the importance of continuing to improve global economic governance and to strengthen the United Nations leadership role in promoting development. With the same purpose, efforts should be strengthened at the national level to enhance coordination among all relevant ministries and institutions. Similarly, we should encourage policy and programme coordination of international institutions and coherence at the operational and international levels to meet the Millennium Declaration development goals of sustained economic growth, poverty eradication and sustainable development.

53. Important international efforts are under way to reform the international financial architecture. Those efforts need to be sustained with greater transparency and the effective participation of developing countries and countries with economies in transition. One major objective of the reform is to enhance financing for development and poverty eradication. We also underscore our commitment to sound

domestic financial sectors, which make a vital contribution to national development efforts, as an important component of an international financial architecture that is supportive of development.

54. Strong coordination of macroeconomic policies among the leading industrial countries is critical to greater global stability and reduced exchange rate volatility, which are essential to economic growth as well as for enhanced and predictable financial flows to developing countries and countries with economies in transition.

55. The multilateral financial institutions, in particular the International Monetary Fund, need to continue to give high priority to the identification and prevention of potential crises and to strengthening the underpinnings of international financial stability. In that regard, we stress the need for the Fund to further strengthen its surveillance activities of all economies, with particular attention to short-term capital flows and their impact. We encourage the International Monetary Fund to facilitate the timely detection of external vulnerability through well designed surveillance and early warning systems and to coordinate closely with relevant regional institutions or organizations, including the regional commissions.

56. We stress the need for multilateral financial institutions, in providing policy advice and financial support, to work on the basis of sound, nationally owned paths of reform that take into account the needs of the poor and efforts to reduce poverty, and to pay due regard to the special needs and implementing capacities of developing countries and countries with economies in transition, aiming at economic growth and sustainable development. The advice should take into account social costs of adjustment programmes, which should be designed to minimize negative impact on the vulnerable segments of society.

57. It is essential to ensure the effective and equitable participation of developing countries in the formulation of financial standards and codes. It is also essential to ensure implementation, on a voluntary and progressive basis, as a contribution to reducing vulnerability to financial crisis and contagion.

58. Sovereign risk assessments made by the private sector should maximize the use of strict, objective and transparent parameters, which can be facilitated by high-quality data and analysis.

59. Noting the impact of financial crisis or risk of contagion in developing countries and countries with economies in transition, regardless of their size, we underline the need to ensure that the international financial institutions, including the International Monetary Fund, have a suitable array of financial facilities and resources to respond in a timely and appropriate way in accordance with their policies. The International Monetary Fund has a range of instruments available and its current financial position is strong. The contingent credit line is an important signal of the strength of countries' policies and a safeguard against contagion in financial markets. The need for special drawing rights allocations should be kept under review. In that regard, we also underline the need to enhance the stabilizing role of regional and subregional reserve funds, swap arrangements and similar mechanisms that complement the efforts of international financial institutions.

60. To promote fair burden-sharing and minimize moral hazard, we would welcome consideration by all relevant stakeholders of an international debt workout mechanism, in the appropriate forums, that will engage debtors and creditors to come together to restructure unsustainable debts in a timely and efficient manner.

Adoption of such a mechanism should not preclude emergency financing in times of crisis.

61. Good governance at all levels is also essential for sustained economic growth, poverty eradication and sustainable development worldwide. To better reflect the growth of interdependence and enhance legitimacy, economic governance needs to develop in two areas: broadening the base for decision-making on issues of development concern and filling organizational gaps. To complement and consolidate advances in those two areas, we must strengthen the United Nations system and other multilateral institutions. We encourage all international organizations to seek to continually improve their operations and interactions.

62. We stress the need to broaden and strengthen the participation of developing countries and countries with economies in transition in international economic decision-making and norm-setting. To those ends, we also welcome further actions to help developing countries and countries with economies in transition to build their capacity to participate effectively in multilateral forums.

63. A first priority is to find pragmatic and innovative ways to further enhance the effective participation of developing countries and countries with economies in transition in international dialogues and decision-making processes. Within the mandates and means of the respective institutions and forums, we encourage the following actions:

- International Monetary Fund and World Bank: to continue to enhance participation of all developing countries and countries with economies in transition in their decision-making, and thereby to strengthen the international dialogue and the work of those institutions as they address the development needs and concerns of these countries;
- World Trade Organization: to ensure that any consultation is representative of its full membership and that participation is based on clear, simple and objective criteria;
- Bank for International Settlements, Basel Committees and Financial Stability Forum: to continue enhancing their outreach and consultation efforts with developing countries and countries with economies in transition at the regional level, and to review their membership, as appropriate, to allow for adequate participation;
- Ad hoc groupings that make policy recommendations with global implications: to continue to improve their outreach to non-member countries, and to enhance collaboration with the multilateral institutions with clearly defined and broad-based intergovernmental mandates.

64. To strengthen the effectiveness of the global economic system's support for development, we encourage the following actions:

- Improve the relationship between the United Nations and the World Trade Organization for development, and strengthen their capacity to provide technical assistance to all countries in need of such assistance;
- Support the International Labour Organization and encourage its ongoing work on the social dimension of globalization;

- Strengthen the coordination of the United Nations system and all other multilateral financial, trade and development institutions to support economic growth, poverty eradication and sustainable development worldwide;
- Mainstream the gender perspective into development policies at all levels and in all sectors;
- Strengthen international tax cooperation, through enhanced dialogue among national tax authorities and greater coordination of the work of the concerned multilateral bodies and relevant regional organizations, giving special attention to the needs of developing countries and countries with economies in transition;
- Promote the role of the regional commissions and the regional development banks in supporting policy dialogue among countries at the regional level on macroeconomic, financial, trade and development issues.

65. We commit ourselves to negotiating and finalizing as soon as possible a United Nations convention against corruption in all its aspects, including the question of repatriation of funds illicitly acquired to countries of origin, and also to promoting stronger cooperation to eliminate money-laundering. We encourage States that have not yet done so to consider signature and ratification of the United Nations Convention against Transnational Organized Crime.[5]

66. We urge as a matter of priority all States that have not yet done so to consider becoming parties to the International Convention for the Suppression of the Financing of Terrorism,[6] and call for increased cooperation with the same objective.

67. We attach priority to reinvigorating the United Nations system as fundamental to the promotion of international cooperation for development and to a global economic system that works for all. We reaffirm our commitment to enabling the General Assembly to play effectively its central role as the chief deliberative, policy-making and representative organ of the United Nations, and to further strengthening the Economic and Social Council to enable it to fulfil the role ascribed to it in the Charter of the United Nations.

III. Staying engaged

68. To build a global alliance for development will require an unremitting effort. We thus commit ourselves to keeping fully engaged, nationally, regionally and internationally, to ensuring proper follow-up to the implementation of agreements and commitments reached at the present Conference, and to continuing to build bridges between development, finance, and trade organizations and initiatives, within the framework of the holistic agenda of the Conference. Greater cooperation among existing institutions is needed, based on a clear understanding and respect for their respective mandates and governance structures.

69. Building on the successful experience of the Conference and the process leading up to it, we shall strengthen and make fuller use of the General Assembly and the Economic and Social Council, as well as the relevant

[5] General Assembly resolution 55/25.

[6] General Assembly resolution 54/109, annex.

intergovernmental/governing bodies of other institutional stakeholders, for the purposes of conference follow-up and coordination, by substantively connecting, in ascending series, the following elements:

(a) Interactions between representatives of the Economic and Social Council and the directors of the executive boards of the World Bank and the International Monetary Fund can serve as preliminary exchanges on matters related to follow-up to the Conference and preparations for the annual spring meeting between those institutions. Similar interactions can also be initiated with representatives of the appropriate intergovernmental body of the World Trade Organization;

(b) We encourage the United Nations, the World Bank and the International Monetary Fund, with the World Trade Organization, to address issues of coherence, coordination and cooperation, as a follow-up to the Conference, at the spring meeting between the Economic and Social Council and the Bretton Woods institutions. The meeting should include an intergovernmental segment to address an agenda agreed to by the participating organizations, as well as a dialogue with civil society and the private sector;

(c) The current high-level dialogue on strengthening international cooperation for development through partnership, held every two years in the General Assembly, would consider the financing for development-related reports coming from the Economic and Social Council and other bodies, as well as other financing for development-related issues. It would be reconstituted to enable it to become the intergovernmental focal point for the general follow-up to the Conference and related issues. The high-level dialogue would include a policy dialogue, with the participation of the relevant stakeholders, on the implementation of the results of the Conference, including the theme of coherence and consistency of the international monetary, financial and trading systems in support of development;

(d) Appropriate modalities to enable participation in the reconstituted high-level dialogue by all relevant stakeholders, as necessary, will be considered.

70. To support the above elements at the national, regional and international levels, we resolve:

- To continue to improve our domestic policy coherence through the continued engagement of our ministries of development, finance, trade and foreign affairs, as well as our central banks;
- To harness the active support of the regional commissions and the regional development banks;
- To keep the financing for development process on the agenda of the intergovernmental bodies of all main stakeholders, including all United Nations funds, programmes and agencies, including the United Nations Conference on Trade and Development.

71. We recognize the link between financing of development and attaining internationally agreed development goals and objectives, including those contained in the Millennium Declaration, in measuring development progress and helping to guide development priorities. We welcome in that regard the intention of the United Nations to prepare a report annually. We encourage close cooperation between the United Nations, the World Bank, the International Monetary Fund and the World

Trade Organization in the preparation of that report. We shall support the United Nations in the implementation of a global information campaign on the internationally agreed development goals and objectives, including those contained in the Millennium Declaration. In that respect, we would like to encourage the active involvement of all relevant stakeholders, including civil society organizations and the private sector.

72. To underpin those efforts, we request the Secretary-General of the United Nations to provide — with collaboration from the secretariats of the major institutional stakeholders concerned, fully utilizing the United Nations System Chief Executives Board for Coordination mechanism — sustained follow-up within the United Nations system to the agreements and commitments reached at the present Conference and to ensure effective secretariat support. That support will build on the innovative and participatory modalities and related coordination arrangements utilized in the preparations of the Conference. The Secretary-General of the United Nations is further requested to submit an annual report on those follow-up efforts.

73. We call for a follow-up international conference to review the implementation of the Monterrey Consensus. The modalities of that conference shall be decided upon not later than 2005.